

FINANCIAL NEWS

STOCK VALUES CRUMBLE AS STOP ORDERS ARE REACHED AND ACCOUNTS WIPE OUT

Declines Range From Five to Fifteen Points—Heaviest Selling at End of First Hour—Market Rallies at Close

NEW YORK, Dec. 15.

The crumbling away of values which started a week ago culminated in today's trading with a general wiping out of speculative accounts as the result of forced liquidation. Stop-loss orders were reached in large amounts in nearly all the important issues, one house selling out 26,000 shares of United States Steel common alone on stop-loss orders, and heavy sales of many other issues, like Marine preferred, were also made as the result of reaching of stop-loss orders.

It was natural to attribute this violent break in prices to the possibility of the consideration of German peace proposals, but as a matter of fact the situation in the stock market has been in a dangerous stage for a long time and many elements contributed to bring about the severe losses in speculative operations on the long side of nearly all the active industrials.

It was a matter of gossip that a little more than a week ago at a dinner of managers of wire houses it was disclosed that borrowings of those houses on industrial stocks amounted to more than \$100,000,000, and, although money rates were advanced and higher margins demanded as the result of this disclosure, the speculators in industrials could not be forced to sell of their own volition.

The developments in the stock markets, however, since then have been such that they were compelled to sell. Declines day after day for the entire week depicted margins so severely that brokers had no other recourse but to close out their accounts. One large commission house member said today that since yesterday morning his house had lost 200 accounts, and he asserted that this indicated just that much decrease of the buying power. Nearly all this liquidation was concentrated in the first two hours of trading.

In that period United States Steel dropped from 114 to 109 1/2, Industrial Alcohol from 116 to 104, Marine preferred from 105 1/2 to 97 1/2, and, taking all together, industrials and specialties recorded sweeping declines of 5 to 15 points. The heaviest selling came at the end of the first hour, when a flood of liquidation for western interests carried prices to the lowest levels of the day.

With this liquidation completed, the market had a steeper tone and it was not long before United States Steel common had recovered all its loss and was again selling above 113. This stock furnished the key to the general market tendency and when it rallied so vigorously it was followed by nearly all the other industrials.

The railroad stocks acted independent of the industrial list. All day such issues as Reading, Chesapeake and Ohio, New York Central and Erie were in good demand and ranged above yesterday's final prices, and Southern Railway became the most prominent feature, crossing 34 for the first time since 1906.

There were interesting developments in the foreign exchange market. Heavy buying of sterling carried the price of sterling cables up from the fixed rate of 4.76 7/16 to 4.76 9/16. Reichsmarks moved up to 74, but the rate for the latter exchange was the direct result of the instructions from Berlin to banking houses here not to sell any marks or kronen.

The bond market moved in about the same way as stocks, with losses in the morning, followed by recoveries at the end of the day.

New York Banks Gain \$5,573,665 on Money Movement

NEW YORK, Dec. 15.—The known movements of money for the week ended with the close of business yesterday indicate a gain in cash by the local banks of \$5,573,665. But for a credit by the New York Federal Reserve Bank at the Clearing House of \$11,236,000 a gain would have been indicated of \$16,809,665, all of that amount coming from the Subtreasury for gold imports. On the interior movement the banks came off about even. They received gross from the country \$4,829,371 and shipped \$4,882,926, a decrease of \$43,665. A week ago the banks lost to the interior \$2,074,315.

COTTON BUSINESS SMALL; PRICES OFF

See Possibility of Readjustment Between Liverpool and New York on Peace Move

NEW YORK, Dec. 15.—Business was small at the opening this morning, with prices declining 5 to 10 points, being partly influenced by a rather sharp drop in Liverpool. It was argued, however, that the present action of the Liverpool market in failing to respond to local movement should not be significant, as with the establishment of peace, the difference between the two markets must be narrowed by nearly 50 points and that is not at all unlikely that the preliminary readjustment has already started.

Wall street, upturn interests and room traders were good buyers, while the supply came from spot and commission houses. Liverpool sold March and July, but purchased October.

After the call, the room traders continued buying, and by the end of the first ten minutes prices had rallied 5 to 6 points, with the supply rather scant.

Bullish southern spot advice encouraged the room traders to buy, and prices moved about 3 to 6 points higher. Doubtless there was buying on peace prospects, while Japanese interests were credited with buying March and May to fix prices and there was demand from local trade sources.

At the same time the undertone was unsettled, Liverpool selling here, partly filling in with the theory that decline abroad was due to the influence of narrower differences, and the market was nervous after 11 o'clock, with active months' selling 17 to 19 points net lower.

Liverpool was a heavy seller here during the first hour. Weakness in securities also was accompanied by renewed Wall street liquidation, and prices were carried about 10 points lower. After the close, the close ahead offerings diminished and there were rallies of several points early in the noon hour.

In the early afternoon prices firms up in sympathy with New Orleans strength and on demand from leading spot firms.

Exports for the day totalled 31,800 bales.

Yest. close, Export, 11 a. m. 12 m. 2 p. m.

December 15, 1916. 15 15 25 18 40 18 32 18 23

January 15 15 25 18 40 18 32 18 23

February 15 15 25 18 40 18 32 18 23

March 15 15 25 18 40 18 32 18 23

April 15 15 25 18 40 18 32 18 23

May 15 15 25 18 40 18 32 18 23

June 15 15 25 18 40 18 32 18 23

July 15 15 25 18 40 18 32 18 23

August 15 15 25 18 40 18 32 18 23

September 15 15 25 18 40 18 32 18 23

October 15 15 25 18 40 18 32 18 23

November 15 15 25 18 40 18 32 18 23

December 15 15 25 18 40 18 32 18 23

Liverpool Cotton

LIVERPOOL, Dec. 15.—Spot cotton was quoted at an advance of 5 points on the basis of 11d mid-upland. The sales were 6000 bales, including 5000 American. The market for futures closed unsettled, at a net decline of 12 @ 18 points.

NEW YORK BUTTER AND EGGS

NEW YORK, Dec. 15.—BUTTER—Receipts, 1,500,000 lbs. mostly all grades. Butter Market particularly firm on fine qualities because of steady demand, 40c inside, higher scoring, 40c @ 40c; other grades unchanged.

EGGS—Receipts, 37,000 lbs. Fresh eggs very scarce and firm, steady, 40c inside, higher scoring, 40c @ 40c; refrigerated eggs, 40c inside, refrigerated dried, 38c outside; other grades unchanged.

NEW YORK COFFEE MARKET

NEW YORK, Dec. 15.—The market for coffee futures opened steady at 1 point lower. Trading on the spot was active, sales amounting to 10,250 bags.

Today's Yesterday's opening closing

December 15, 1916. 80.82 80.83

January 15 80.82 80.83

February 15 80.82 80.83

March 15 80.82 80.83

April 15 80.82 80.83

May 15 80.82 80.83

June 15 80.82 80.83

July 15 80.82 80.83

August 15 80.82 80.83

September 15 80.82 80.83

October 15 80.82 80.83

November 15 80.82 80.83

December 15 80.82 80.83

Value of U. S. 1916 Crops

WASHINGTON, Dec. 15.—December estimates on the acreage and production and the November 1 value of the various important crops in the United States, made by the Department of Agriculture are as follows: (in millions)

Fractional Crops—Value

Dec. 15, 1916. 2,812,783

Jan. 15, 1917. 2,812,783

Feb. 15, 1917. 2,812,783

March 15, 1917. 2,812,783

April 15, 1917. 2,812,783

May 15, 1917. 2,812,783

June 15, 1917. 2,812,783

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July 15, 1512,783

August 15, 1512,783

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